



Irish Life Weekly Investment Bulletin

The week that was – WEEK 44 (ending 03/11/2017)

“Do not fear mistakes. There are none.” – Miles Davis

Irish household deposits at €100.6bn – According to latest figures from the Central Bank, deposits from households increased in net terms by €411 million in September and in annual terms, deposits were €3.6 billion higher than withdrawals with household deposits standing at €100.6 billion at the end of September.

Irish unemployment hits 9 year low – The Central Statistics Office has reported that the rate of unemployment was 6.0% for October, a figure which has not been seen since June 2008, before the recession. The figure is down from 7.2% in October 2016 but was as high as 15.2% in January 2012.

Global stock market up 0.6% on the week – The MSCI AC World TR Index showed a 0.63% rise from the 27th October to 3rd November, as U.S. tax reform proposals were introduced by Republicans in the House of Representatives. Volatility, as measured by VIX, finished the week at 9.14, down from 9.8 the previous week.

BOE raises rates for first time in a decade – The Bank of England increased its policy rate from 0.25% to 0.5%, the first increase since July 2007, mainly due to a large rise in inflation caused by the post-Brexit weakness in sterling that resulted in higher import prices. This reversed the 0.25% reduction in August 2016.

Jerome Powell new head of U.S. Fed – President Donald Trump nominated Federal Reserve Governor Jerome Powell to replace current Chair Janet Yellen, whose term expires in February. Powell is expected to maintain monetary policy continuity but could roll back some of the post-financial crisis banking reforms.

Eurozone growth in Q3 the best in over 6 years – Data released by Eurostat shows the eurozone economy expanded by 0.6% in the third quarter of 2017 and by 2.5% compared with Q3 2016, the highest rate since the first quarter of 2011. In comparison, U.S. GDP was lower at 2.3% while the UK economy only grew by 1.5%.

The Story of the week: U.S. President Donald Trump's personal Twitter account was 'inadvertently deactivated' on Thursday by an employee of the blogging site on their last day of work. The account stayed down for nearly 15 minutes before it was restored. The president's personal account, @realDonaldTrump, went on the blink at about 4 p.m. on Thursday, displaying an error message saying the user “does not exist.” Numerous people unsurprisingly tweeted that the employee should re-employed and offered a raise!

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2012	2013	2014	2015	2016	2017 YTD (to 03/11)
MSCI AC World (Gross TR)	16.5	26.2	9.9	1.8	9.7	18.0
ISEQ Overall Return	20.5	35.8	16.8	33.6	-2.7	8.6
FTSE 100 TR	10.0	18.7	0.7	-1.3	19.1	9.4
Euro Stoxx 50 TR	18.1	21.5	4.0	6.4	3.7	14.8
S&P 500 TR	16.0	32.4	13.7	1.4	12.0	17.5
Nasdaq Composite	15.9	38.3	13.4	5.7	7.5	25.7
Nikkei 225	22.9	56.7	7.1	9.1	0.4	17.9
MSCI Emerging Markets	13.9	0.9	2.6	-8.0	7.1	26.8
Eurozone Government Bonds 1–5 yr	5.9	2.1	3.4	1.0	0.9	0.2
Sovereign 10yr Bond Yields (%)	2012	2013	2014	2015	2016	2017 YTD
U.S.	1.7	3.0	2.2	2.2	2.4	2.3
German	1.4	1.9	0.5	0.6	0.2	0.3
UK	1.9	3.0	1.9	1.9	1.2	1.2
Japan	0.7	0.7	0.3	0.2	0.0	0.0
Ireland	4.5	3.4	1.3	1.1	0.7	0.6
Italy	4.6	4.1	2.1	1.6	1.8	1.8
Greece	12.7	8.2	9.6	7.9	7.1	5.1
Portugal	6.9	6.1	2.7	2.5	3.8	2.0
Spain	5.4	4.1	1.6	1.7	1.4	1.5
Central Bank Rates (%)	2012	2013	2014	2015	2016	2017 YTD
ECB	0.75	0.25	0.05	0.05	0.0	0.0
Bank of England	0.5	0.25	0.50	0.50	0.25	0.50
U.S. Federal Reserve	0.25	0.25	0.25	0.50	0.75	1.25
Foreign Exchange Rates	2012	2013	2014	2015	2016	2017 YTD
Euro/Dollar (€/\$)	1.31	1.37	1.21	1.09	1.04	1.16
Euro/Sterling (€/£)	0.81	0.83	0.78	0.75	0.84	0.88
Sterling/Dollar (£/\$)	1.61	1.65	1.56	1.46	1.24	1.31
IPD All Property Return % (in Local Currency)	2012	2013	2014	2015	2016	2017
Ireland	3.1	12.7	40.1	25.0	12.8	6.9% (to end of Q3)
U.K.	2.7	10.7	17.8	13.1	3.6	7.1% (to end of Q3)
U.S.	5.3	11.4	11.2	12.1	7.8	3.3% (to end of Q2)

*Past performance is not a reliable guide to future performance